



Union Calendar No. 453

105<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**H. R. 2526**

[Report No. 105-809]

**A BILL**

To amend title 5, United States Code, to make the percentage limitations on individual contributions to the Thrift Savings Plan more consistent with the dollar amount limitation on elective deferrals, and for other purposes.

OCTOBER 10, 1998

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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**IN THE HOUSE OF REPRESENTATIVES**

SEPTEMBER 23, 1997

Mrs. MORELLA (for herself, Mr. DAVIS of Virginia, Mr. HOYER, and Mr. MORAN of Virginia) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

OCTOBER 10, 1998

Additional sponsors: Mr. FROST, Mr. TALENT, Mr. GOSS, Mr. UNDERWOOD, Mr. McDERMOTT, Mr. SKEEN, Mr. MILLER of California, Mr. BISHOP, Mr. BEREUTER, Ms. FURSE, Mr. SABO, Mr. HINCHEY, Mrs. THURMAN, Mr. FATTAH, Mr. BENTSEN, Mr. FOLEY, Ms. LOFGREN, Mr. NADLER, Mr. GORDON, Mr. SESSIONS, and Mr. OLVER

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**A BILL**

To amend title 5, United States Code, to make the percentage limitations on individual contributions to the Thrift Savings Plan more consistent with the dollar amount limitation on elective deferrals, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PERCENTAGE LIMITATIONS ON CONTRIBU-**  
 4 **TIONS.**

5 (a) AMENDMENTS RELATING TO FERS.—

6 (1) IN GENERAL.—Subsection (a) of section  
 7 8432 of such title is amended by striking “10 per-  
 8 cent of”.

9 (2) JUSTICES AND JUDGES.—Subsection (b) of  
 10 section 8440a of such title is amended—

11 (A) by striking paragraph (2) and by re-  
 12 designating paragraphs (3) through (7) as  
 13 paragraphs (2) through (6), respectively; and

14 (B) in paragraph (6) (as so redesignated  
 15 by subparagraph (A)) by striking “paragraphs  
 16 (4) and (5)” and inserting “paragraphs (3) and  
 17 (4)”.

18 (3) BANKRUPTCY JUDGES AND MAG-  
 19 ISTRATES.—Subsection (b) of section 8440b of such  
 20 title is amended—

21 (A) by striking paragraph (2) and by re-  
 22 designating paragraphs (3) through (8) as  
 23 paragraphs (2) through (7), respectively;

24 (B) in paragraph (4) (as so redesignated  
 25 by subparagraph (A)) by striking “paragraph

1 (4)(A), (B), or (C)” and inserting “paragraph  
2 (3)(A), (B), or (C)”;

3 (C) in paragraph (7) (as so redesignated  
4 by subparagraph (A)) by striking “Notwith-  
5 standing paragraph (4),” and inserting “Not-  
6 withstanding paragraph (3),”.

7 (4) COURT OF FEDERAL CLAIMS JUDGES.—  
8 Subsection (b) of section 8440c of such title is  
9 amended—

10 (A) by striking paragraph (2) and by re-  
11 designating paragraphs (3) through (8) as  
12 paragraphs (2) through (7), respectively;

13 (B) in paragraph (4) (as so redesignated  
14 by subparagraph (A)) by striking “paragraph  
15 (4)(A) or (B)” and inserting “paragraph (3)(A)  
16 or (B)”;

17 (C) in paragraph (7) (as so redesignated  
18 by subparagraph (A)) by striking “Notwith-  
19 standing paragraph (4),” and inserting “Not-  
20 withstanding paragraph (3),”.

21 (5) JUDGES OF THE UNITED STATES COURT OF  
22 VETERANS APPEALS.—Paragraph (2) of section  
23 8440d(b) of such title is amended to read as follows:

1       “(2) For purposes of contributions made to the Thrift  
2 Savings Fund, basic pay does not include any retired pay  
3 paid pursuant to section 7296 of title 38.”.

4       (b) AMENDMENTS RELATING TO CSRS.—Paragraph  
5 (2) of section 8351(b) of title 5, United States Code, is  
6 amended by striking “5 percent of”.

7       (c) EFFECTIVE DATE.—

8           (1) IN GENERAL.—The amendments made by  
9 this section shall take effect on the date of the en-  
10 actment of this Act.

11          (2) COORDINATION WITH ELECTION PERI-  
12 ODS.—The Executive Director shall by regulation  
13 determine the first election period in which elections  
14 may be made consistent with the amendments made  
15 by this section.

16          (3) DEFINITIONS.—For purposes of this sec-  
17 tion—

18           (A) the term “election period” means a pe-  
19 riod afforded under section 8432(b) of title 5,  
20 United States Code; and

21           (B) the term “Executive Director” has the  
22 meaning given such term by section 8401(13)  
23 of title 5, United States Code.

1 **SEC. 2. ELIGIBLE ROLLOVER DISTRIBUTIONS.**

2 Section 8432 of title 5, United States Code, is  
3 amended by adding at the end the following:

4 “(j)(1) For the purpose of this subsection—

5 “(A) the term ‘eligible rollover distribution’ has  
6 the meaning given such term by section 402(c)(4) of  
7 the Internal Revenue Code of 1986; and

8 “(B) the term ‘qualified trust’ has the meaning  
9 given such term by section 402(c)(8) of the Internal  
10 Revenue Code of 1986.

11 “(2) An employee or Member may contribute to the  
12 Thrift Savings Fund an eligible rollover distribution from  
13 a qualified trust. A contribution made under this sub-  
14 section shall be made in the form described in section  
15 401(a)(31) of the Internal Revenue Code of 1986. In the  
16 case of an eligible rollover distribution, the maximum  
17 amount transferred to the Thrift Savings Fund shall not  
18 exceed the amount which would otherwise have been in-  
19 cluded in the employee’s or Member’s gross income for  
20 Federal income tax purposes.

21 “(3) The Executive Director shall prescribe regula-  
22 tions to carry out this subsection.”.

23 **SEC. 3. IMMEDIATE PARTICIPATION IN THE THRIFT SAV-**  
24 **INGS PLAN.**

25 (a) **ELIMINATION OF CERTAIN WAITING PERIODS**  
26 **FOR PURPOSES OF EMPLOYEE CONTRIBUTIONS.**—Para-

1 graph (4) of section 8432(b) of title 5, United States  
2 Code, is amended to read as follows:

3 “(4) The Executive Director shall prescribe such reg-  
4 ulations as may be necessary to carry out the following:

5 “(A) Notwithstanding subparagraph (A) of  
6 paragraph (2), an employee or Member described in  
7 such subparagraph shall be afforded a reasonable  
8 opportunity to first make an election under this sub-  
9 section beginning on the date of commencing service  
10 or, if that is not administratively feasible, beginning  
11 on the earliest date thereafter that such an election  
12 becomes administratively feasible, as determined by  
13 the Executive Director.

14 “(B) An employee or Member described in sub-  
15 paragraph (B) of paragraph (2) shall be afforded a  
16 reasonable opportunity to first make an election  
17 under this subsection (based on the appointment or  
18 election described in such subparagraph) beginning  
19 on the date of commencing service pursuant to such  
20 appointment or election or, if that is not administra-  
21 tively feasible, beginning on the earliest date there-  
22 after that such an election becomes administratively  
23 feasible, as determined by the Executive Director.

24 “(C) Notwithstanding the preceding provisions  
25 of this paragraph, contributions under paragraphs



1 (1) and (2) of subsection (c) shall not be payable  
2 with respect to any pay period before the earliest  
3 pay period for which such contributions would other-  
4 wise be allowable under this subsection if this para-  
5 graph had not been enacted.

6 “(D) Sections 8351(a)(2), 8440a(a)(2),  
7 8440b(a)(2), 8440c(a)(2), and 8440d(a)(2) shall be  
8 applied in a manner consistent with the purposes of  
9 subparagraphs (A) and (B), to the extent those sub-  
10 paragraphs can be applied with respect thereto.

11 “(E) Nothing in this paragraph shall affect  
12 paragraph (3).”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

14 (1) Section 8432(a) of title 5, United States Code, is  
15 amended—

16 (A) in the first sentence by striking “(b)(1)”  
17 and inserting “(b)”; and

18 (B) by amending the second sentence to read as  
19 follows: “Contributions under this subsection pursu-  
20 ant to such an election shall, with respect to each  
21 pay period for which such election remains in effect,  
22 be made in accordance with a program of regular  
23 contributions provided in regulations prescribed by  
24 the Executive Director.”.

1       (2) Section 8432(b)(1)(B) of such title is amended  
2 by inserting “(or any election allowable by virtue of para-  
3 graph (4))” after “subparagraph (A)”.

4       (3) Section 8432(b)(3) of such title is amended by  
5 striking “Notwithstanding paragraph (2)(A), an” and in-  
6 serting “An”.

7       (4) Section 8432(i)(1)(B)(ii) of such title is amended  
8 by striking “either elected to terminate individual con-  
9 tributions to the Thrift Savings Fund within 2 months  
10 before commencing military service or”.

11       (5) Section 8439(a)(1) of such title is amended by  
12 inserting “who makes contributions or” after “for each  
13 individual” and by striking “section 8432(c)(1)” and in-  
14 serting “section 8432”.

15       (6) Section 8439(c)(2) of such title is amended by  
16 adding at the end the following: “Nothing in this para-  
17 graph shall be considered to limit the dissemination of in-  
18 formation only to the times required under the preceding  
19 sentence.”.

20       (7) Sections 8440a(a)(2) and 8440d(a)(2) of such  
21 title are amended by striking all after “subject to” and  
22 inserting “this chapter.”.

23       (c) EFFECTIVE DATE.—This section shall take effect  
24 6 months after the date of the enactment of this Act or  
25 such earlier date as the Executive Director (within the

- 1 meaning of section 8401(13) of title 5, United States
- 2 Code) may by regulation prescribe.